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Global Business School Network

Roundtable report:

Entrepreneurship Ecosystems and Business Schools

Entrepreneurship Ecosystems and Business Schools
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Leadership Team

- Stephanie Woerner, MIT Sloan Center for Information Systems Research
- Balagopal Vissa, INSEAD

Participants

- Tarun Anand, Universal Business School
- Elisa Operti, ESSEC Business School
- Susan Golicic, Colorado State University
- Simon Dandavino, HEC Montréal – Next AI
- Holly DeArmond, University of Maryland Robert H. Smith School of Business
- Elora Basumatary, Universal Business School
- Rose Dodd, Ashesi University
- Paula Lourenco.,The Lisbon MBA Católica|Nova
- Jasmine Stasiuk Riddell, Brock University
- Imran Chowdhury, Wheaton College (MA)
- Naglaa Fawzy, American University in Cairo (AUC)
- Ambrose Ogoko, Lagos Business School

Introduction

As a whole, business schools have made considerable progress increasing their presence in the space of entrepreneurship. Now leaders are looking ahead to the next stage of development, especially as it relates to the school's role within the broader institution and community. What more can business schools do to increase their impact as catalysts for new business creation and innovation? How do they work with, support and lead other organizations in the ecosystem? Are new opportunities emerging in the context of COVID-19?

Anxious for insights, 14 leaders from 13 business schools in 9 countries gathered to consider questions related to "entrepreneurship ecosystems and business schools." The roundtable meetings were led by Balagopal (Bala) Vissa, a professor at INSEAD who is based in Singapore and Stephanie Woerner, a research scientist at the MIT Sloan Center for Information Systems Research (CISR).

Roundtable participants met virtually for a total of three hours across two days in October 2020. This report summarizes their discussions and serves as a vehicle for sharing the insights and opportunities that emerged. It is not intended as a comprehensive research study or meant to be authoritative. Any errors are the responsibility of its lead author, Dan LeClair, and should not be attributed to GBSN, its sponsors or the roundtable participants and its leaders.

A diverse palette of experiences and expectations

The experiences and expectations of individuals and schools participating in the roundtable varied widely. Clips from participant introductions illustrate some of the differences in organization structures, focus areas and approaches.

Structural variation

Centers and institutes are common drivers of entrepreneurship activities at schools. They often act as catalysts for new business creation and innovation across the institution. For example, the Dingman Center for Entrepreneurship at University of Maryland Robert H. Smith School of Business makes growth opportunities and resources available for student entrepreneurs at any stage of development. The Maag INSEAD Centre for Entrepreneurship "calls upon and enables members of the broad INSEAD community to produce knowledge and to deliver or receive assistance with new ventures, new organizations within an existing company or efforts to turn around and re-launch an ailing enterprise."

Other centers are more external. For example, the Enterprise Development Centre of Pan-Atlantic University has the mission of "providing holistic business development and support services to small and medium enterprises (SMEs) in Nigeria." The Center for Entrepreneurship and Innovation (CEI) at the American University in Cairo (AUC) is another example. It acts as a hub for entrepreneurial stakeholders in Egypt and the MENA region and, in 2013, initiated the AUC Venture Lab, which was Egypt's first university-based startup accelerator.

Roundtable participants also show that there are many other structures to support entrepreneurship and connect into institutional and local ecosystems. INSEAD, for example, also relies heavily on a corps of entrepreneurs-in-residence, as do many other schools in the roundtable. The Universal Business School in India created its own campus-run business through which students are encouraged to innovate. Next AI is attached to HEC Montreal in Canada, but has separate funding from the government and works closely with engineering and science institutes to accelerate the development of AI-based startups. HEC Montreal also participates in the Creative Destruction Lab (CDL), which is a network-based "nonprofit organization that delivers an objectives-based program for massively scalable, seed-stage, science- and technology-based companies."

Different focus areas and approaches

Schools and leaders in the roundtable had different focal points for their work on entrepreneurship and the way they are thinking about ecosystems. At Wheaton College, a small liberal arts institution in Massachusetts, Imran Chowdhury is championing social innovation efforts. Together with colleagues in multiple disciplines, they are exploring creative ways to build on the institution's strength in social justice and diversity and inclusion. Social entrepreneurship is also a focal point at ESSEC, where Antropia was established in 2005 as the first Social Incubator launched by a management school in France.

The Colorado State University (CSU) College of Business and Institute for Entrepreneurship is already established in the local ecosystem of Fort Collins and wants to widen its engagement regionally. One way they are doing that is by developing programs specifically for high school students, reaching learners prior to university. The Dingman Center also wants to spur innovation in the broader region, and intends to do that primarily by building on its strong regional angel investor network.

Roundtable leader, Stephanie Woerner studies digital business models and ecosystems as a research scientist for the Center for Information Systems Research (CISR), part of MIT's enormous entrepreneurial ecosystem stretching across many campus units. One particularly relevant programmatic example is the MIT Regional Entrepreneurship Acceleration Program (MIT REAP), which connects several campus units, including the MIT Sloan Global Programs, Martin Trust Center for MIT Entrepreneurship and Legatum Center for Development & Entrepreneurship. MIT REAP provides "opportunities for communities around the world to engage with MIT in an evidence based, practical approach to strengthening innovation driven entrepreneurial ecosystems."

For Ashesi University, entrepreneurship has been built-in since its founding as a liberal arts university in Ghana a decade ago. The university's mission is "to propel an African renaissance by educating ethical, entrepreneurial leaders." Roundtable participant, Rose Dodd heads the university's Education Collaborative, which seeks to scale their model, including the entrepreneurship focus, across other African institutions.

The composition of the roundtable proved to be a provocative mix. In the opening words of roundtable leader, Bala Vissa, "it is an incredibly diverse palette" to start the conversation. The discussions suggest that the roundtable's diversity is indicative of the industry and an area of development that leaves substantial room for business schools to find their own way. Despite the diversity, or perhaps because of it, three broad themes emerged from the roundtable dialogue.

Practical experience and academic legitimacy

Roundtable participants relied heavily on the practice community for their work to develop skills, as well as incubate and accelerate business. Sometimes funding is an important reason. By design, MIT CISR's research is very practice-oriented. Its funding comes from a consortium of businesses that also help define areas needing research. Because of this focus, there is limited room for traditional research targeted toward publication in academic journals. While Next AI is attached to HEC Montreal, it has separate funding which is largely tied to practical success in accelerating the development of AI-based startups.

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Many schools also see their entrepreneurship activities as opportunities to engage the business community and alumni in their work. For example, INSEAD engages entrepreneurs-in-residence in much of their work. Next AI at HEC Montreal relies on about 60 mentors, as well as about 10 venture managers, to support startup cohorts. Interestingly, they also have strong ties with engineering and computer science professors at AI institutes for some academic courses.

While on the surface, business schools seem to lean heavily on practical experience, a deeper dive into the conversation reveals a more balanced approach. The business school's role in institutional and local ecosystems depends in part on academic legitimacy. At MIT Sloan, legitimacy comes naturally from the brand of the prestigious higher education institution. Even with CISR's focus on executives and business funding, its approach is still in the MIT tradition of rigorous field-based research.

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According to Vissa, as a stand-alone business school INSEAD must work harder to build and maintain academic legitimacy. He believes that having a strong corps of entrepreneurs-in-residence helps tenure-track faculty to focus on academic research and build essential academic credibility. The MIT and INSEAD examples suggest that both academic and practical approaches are necessary and, ideally, complement each other in myriad ways. Indeed, it is the combination of academic strength and practical application that positions business schools as important players in entrepreneurial ecosystems.

Organic and engineered development

Drawing on her research in Finland, ESSEC professor Elisa Operti, questions whether innovation ecosystems can be engineered. Despite intentional public and private investments over decades, innovation didn't take hold in Finland. It wasn't until Nokia collapsed, allowing talent to migrate towards startups, that the ecosystem gained strength. Many institutions, including universities, adapted quickly to find their place in the changing environment. Operti thinks there may be similar opportunities for schools starting to emerge in the context of COVID-19. Woerner agrees and notes that companies are using COVID-19 as a way to jump start digital transformation.

> **" *companies are using COVID-19 as a way to jump start digital transformation.* "**

Other examples by roundtable participants also illustrate that business schools don't usually engineer their way into an ecosystem. Rather, it is an organic process of development. And that process seems to start internally. Ashesi's roots in the local ecosystem grew out of its need to serve the requirements of both students and faculty. At both Colorado State University and the University of Maryland, the business schools built strong shared services approaches to entrepreneurship and established themselves as local players in the ecosystem. Now they are both aiming for regional engagement, but are leaning into different opportunities based on experience and environment. For CSU it means in part developing efforts in secondary-level education and for Maryland it means primarily building on their angel investor network.

Perhaps unintentionally, Operti's research is reflected in the transformation ESSEC is making from a structured set of entrepreneurship programs and courses, to a more flexible and fluid system. The idea is to create more cross-connections in an environment that had become somewhat siloed. Presumably, this approach will also enable the school to adapt quickly to changing market needs.

That said, there are promising efforts to purposely build more powerful ecosystems through network development and collaborations. In addition to the Creative Destruction Lab mentioned earlier, GBSN has been building network opportunities in the space of entrepreneurship. For example, its Entrepreneurs-in-Residence Learning Community has three objectives: facilitate exchange of best practices, share resources and enable collective and collaborative actions. These objectives have a lot in common with ecosystems.
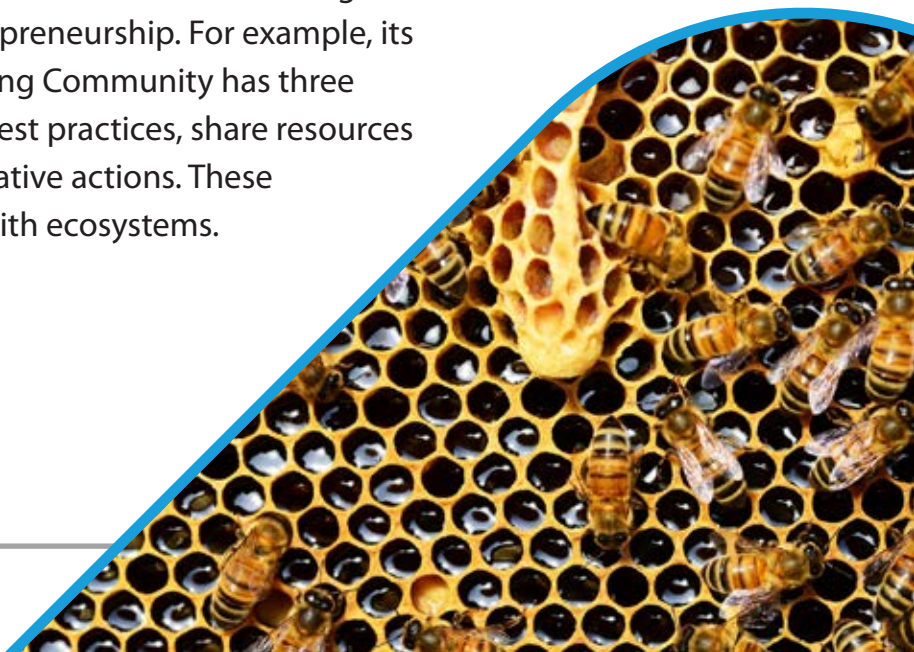
Blurring boundaries

For most of the roundtable discussions, the emphasis was on new venture creation and acceleration. And that dominant thinking has shaped the evolution of institutional and community ecosystems. However, a notable theme emerging in the roundtable dialogue was a trend towards broadening the lens through which entrepreneurship is viewed. Rather than aiming specifically to nascent or early stage startups, schools are widening the frame to include family businesses, social enterprises, corporate venturing and more.

By expanding the emphasis beyond new ventures, schools open themselves to new ecosystem roles and connections. At INSEAD, for example, there is growing interest in "entrepreneurship through acquisition" in their MBA program. The idea is for graduates to buy existing businesses and use them as growth platforms. At the University of Maryland, according to Holly DeArmond, students enjoy participating in the pitch competitions but are not very interested in starting their own businesses after graduation. They are more interested in innovation-oriented jobs in large companies. All of this has interesting implications for the future of entrepreneurship programs, as well as for the way we think about MBA education, and may begin to fashion a new way of thinking about the ecosystem role of business schools in various contexts.

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The boundaries between disciplines are also blurring as business schools open up to new possibilities and partners. At HEC Montreal they are combining AI with data analytics to develop new ventures. Wheaton is weaving policy into social innovation and providing the maker space to develop new ideas. ESSEC has a biotech incubator. Overall, it appears business school can and should play a leadership role in generating interdisciplinary opportunities. The entrepreneurship area can provide leadership in transcending boundaries.

Overall, leading entrepreneurship initiatives in business schools is very challenging, especially when you consider the aspirations for impact. At the same time the entrepreneurship unit is striving for quality as a shared service across the institution, it has to build and maintain academic legitimacy. Meanwhile, the unit, however it is defined, and the school need to be more flexible and adaptable to keep pace with fast-changing ecosystems.

This roundtable discussion suggests that business schools are well-positioned to be leaders in institutional ecosystems. And that role will only strengthen over time because of the rising expectations for impact. Institutions are being called upon to create and document more value from research and to create jobs in their local communities, for example.

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Through their work in entrepreneurship and innovation, business schools are also discovering new capabilities that enable them to go in many directions in local and regional communities. Many are at a crossroads in considering their next steps, and we can expect major moves in the wake of the COVID-19 pandemic.

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